

Meeting of the Board
STATE PUBLIC SCHOOL BUILDING AUTHORITY
November 17, 2022
Room 515 North Office Building
10:32 a.m. Prevailing Time

MINUTES

1. Call to Order, Filing of Proof of Sunshine Notice and of Sending Notice of the Meeting, and Announcement of Quorum
2. Approval of the Minutes of the Meeting of August 4, 2022
3. Financial Reports for the Months of June, July, August, September, and October 2022
4. Loan Fund
5. Audit Committee Report & Audit Charter
6. Approval of Projects
 - A. Resolution Authorizing the Undertaking of a Project on Behalf of Delaware County Community College
7. Old Business
 - A. Executive Director's Update
8. New Business
9. Adjournment

1. CALL TO ORDER, FILING OF PROOF OF SUNSHINE NOTICE AND OF SENDING NOTICE OF THE MEETING AND ANNOUNCEMENT OF QUORUM

With a quorum of board members present, the meeting of the State Public School Building Authority was called to order on Thursday, November 17, 2022, at 10:32 A.M. prevailing time, in room 515 North Office Building, Harrisburg, Pennsylvania. The proof of the Sunshine advertisement and certification regarding sending the notice of the meeting is attached to these minutes. It was noted that the meeting was being recorded.

Angela Brysiak introduced herself as the interim Board Chair from the Governor's Budget Office. The previous Board Chair, Steven Heuer, left the Governor's Budget Office and went to PSERS. Ms. Brysiak said that she was happy to be at the Board Meeting and was looking forward to meeting the Board Members.

Board Members Present

Angela Brysiak, (Proxy for Governor Thomas W. Wolf)
Jennifer Langan, (Proxy for Treasurer Stacy Garrity)
Christal Pike-Nase, (Proxy for Auditor General Timothy L. DeFoor)

Board Members Participating by Conference Call

Terry Trego, (Proxy for Senator Scott Martin)
Senator Lindsey M. Williams
Shawn Smith, (Proxy for Acting Secretary of General Services Joseph Lee)
Patrick Lord, (Proxy for Acting Secretary of Education Eric Hagarty)

Members Absent

Representative Curtis G. Sonney
Representative Napoleon J. Nelson

Authority Personnel Present

Eric Gutshall, Executive Director
Jennifer Sheffield, Director of Operations
David Player, Comptroller

Also Present

William McCarty, Authority Counsel, Barley Snyder LLP
Dr. Patricia Benson, Vice President for Finance & Administration, Delaware County Community College
Cristine Earl, Associate Vice President, Finance, Delaware County Community College
Josh Pasker, Saul Ewing, LLP
Paul Clancy, RBC Capital Markets, LLC

2. APPROVAL OF THE MINUTES OF THE MEETING OF AUGUST 4, 2022

A copy of the minutes of the meeting of August 4, 2022, was distributed to the Board Members prior to this meeting. It is therefore recommended that consideration be given to the adoption of the following Resolution:

RESOLVED That the minutes of the SPSBA meeting of August 4, 2022, be and hereby are approved as presented.

Upon **MOTION** by **Ms. Pike-Nase**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of November 17, 2022.

3. FINANCIAL REPORTS FOR THE MONTHS OF JUNE, JULY, AUGUST, SEPTEMBER, AND OCTOBER 2022

The Financial Reports for the months of June, July, August, September, and October 2022 were emailed to Board Members prior to this meeting.

It is recommended that consideration be given to the adoption of the following Resolution:

RESOLVED That the Financial Reports of the State Public School Building Authority for the months of June, July, August, September, and October 2022 as received by this Board, be accepted, and filed with the minutes of this meeting.

Upon **MOTION** by **Ms. Langan**, and **SECONDED** by **Ms. Pike-Nase**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of November 17, 2022.

4. LOAN FUND

Mr. Gutshall explained that we closed one loan to Reading Area Community College for \$878,659 to finance bathroom renovations and plumbing upgrades in several buildings across campus. There are currently no pending projects.

5. AUDIT COMMITTEE REPORT & AUDIT CHARTER

Ms. Pike-Nase, as Chair of the Audit Committee, provided a summary of the Audit Committee meeting on September 26th. The Audit Committee conducted the exit conference in person in the Law Library of the Department of the Auditor General with the Authority's independent auditors, Maher Duessel, to review the audited financial statements

and the audit charter. One of Maher Duessel's partners, Jennifer CruverKibi, was at the conference and provided an excellent summary of the audit process and its results. It was decided that there would be no changes to the audit charter. The audit charter was updated a couple years ago, and it is still in good shape.

As in prior years, the Authority received an unmodified opinion, commonly known as a clean opinion. Ms. CruverKibi indicated that the Authority was very cooperative and well organized. The Audit Committee recommends that the Board accept the audited financial statements and audit charter.

Lastly, Ms. Pike-Nase welcomed Angela Brysiak as the new Board Chair. She also thanked Mr. Heuer for his outstanding service to the Board and the Audit Committee since 2014.

It is recommended that consideration be given to the adoption of the following Resolution:

RESOLVED That the 6/30/22 audited financials and audit charter be approved and accepted by the Board.

Upon **MOTION** by **Ms. Langan** and **SECONDED** by **Ms. Pike-Nase**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of November 17, 2022.

6. APPROVAL OF PROJECTS

A. Resolution Authorizing the Undertaking of a Project on Behalf of Delaware County Community College.

Mr. Gutshall explained that Delaware County Community College has requested that we issue a maximum of \$97,600,000 of revenue bonds to finance the College's new Southeast Campus and the payment of certain costs of issuing the Bonds (including bond insurance or other forms of credit enhancement if advantageous to the College). RBC Capital Markets, LLC will serve as Underwriter and The Bank Of New York Mellon Trust Company, N.A. will be the Trustee for the bond issue. After completing a Request for Proposal, and at the request of the College, the Office of General Counsel has appointed Saul Ewing as Bond Counsel for this issue. Andre C. Dasent, P.C. will serve as the SDB and The Law Office of Nathaniel M. Holmes, LLC will serve as the VBE.

The Resolution in your agenda approves all actions necessary in connection with the issuance of the bonds. Mr. Gutshall added that Paul Clancy, of RBC Capital Markets, LLC; Patricia Benson and Caristine Earl of the College; and Josh Pasker of Saul Ewing joined the meeting telephonically to answer any questions.

Mr. Gutshall feels this is a great project because they are taking two campuses that they have, consolidating into one and using an old high school to do that. This is very exciting for them, and he is glad that we can be a part of that.

Chairperson Brysiak asked if there were any questions from the Board.

Ms. Langan asked what the interest rate would be for these bonds.

Paul Clancy (RBC Capital Markets, LLC) said that we really don't know the final interest rate until the bonds are sold and the bonds are not scheduled to be sold until January. He said that currently the all-in rate would be approximately 4.8%. He said to keep in mind that these are not 30-year bonds. The state portion that supports this is 20 years. So, we are looking at a shorter term than you typically see at 30 years.

Chairperson Brysiak asked if there were any other questions from the Board, and hearing none, she asked for a motion to approve the Resolution.

**RESOLUTION OF THE
STATE PUBLIC SCHOOL BUILDING AUTHORITY
AUTHORIZING
THE UNDERTAKING OF A PROJECT ON BEHALF OF
DELAWARE COUNTY COMMUNITY COLLEGE**

DOCKET NO. 2505

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The State Public School Building Authority (the "Authority") shall undertake a project (the "Project") on behalf of Delaware County Community College (the "College") generally anticipated to consist of: (i) the construction, improvement, renovation, furnishing, equipping and installation of certain alterations and improvements, personal property and/or fixtures at the College's new Southeast Campus; and (ii) the payment of certain costs of issuing the Bonds (defined below) (including bond insurance or other forms of credit enhancement if advantageous to the College).

2. In order to finance the Project, the Authority will enter into an Eleventh Supplemental Trust Indenture, to be dated as set forth therein (the "Eleventh Supplemental Indenture"), which Eleventh Supplemental Indenture will further amend and supplement a Trust Indenture dated as of October 1, 1993, as previously amended and supplemented (the "Original Indenture," and as further amended and supplemented by the Eleventh Supplemental Indenture, the "Indenture") with The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), and shall issue up to Ninety Seven Million Six Hundred Thousand Dollars \$97,600,000 (exclusive of any original issue discount) in aggregate principal amount of bonds to be in one or more series issued as either taxable or tax-exempt (which may be issued on the same or different dates) to be designated "State Public School Building Authority, College Revenue Bonds (Delaware County Community College Project), Series of 2023" (or such other designation, as appropriate) with the appropriate alphabetical series designation, as applicable (the "Bonds"). The Bonds shall have a term not to exceed thirty (30) years and shall bear interest at fixed rates acceptable to the College, shall mature in such principal amounts and at such times, and shall be subject to redemption and purchase, as applicable, all as approved by the Executive Director of the Authority in consultation with the College and further provided in one or more Bond Purchase Agreements (as hereinafter defined).

The Bonds shall be issued in such denominations and form and under such terms as shall be set forth in the Indenture used in connection with the issuance of the Bonds and approved by the Executive Director. The execution of the Bonds with the manual or facsimile signature of the President of the Authority and the Treasurer of the Authority together with a manual or facsimile of the official seal of the Authority and the attestation thereof by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority is hereby authorized. The Executive Director of the Authority is hereby authorized and directed to deliver the Bonds to the Trustee under the Indenture for authentication and to execute and deliver instructions to the Trustee to deliver the Bonds when so authenticated, on behalf of the Authority, to or upon the order of the purchaser thereof against receipt of the purchase price together with any accrued interest, all in accordance with the requirements of the Indenture.

3. The proceeds from the sale of the Bonds shall be loaned to the College pursuant to the terms of a Loan and Security Agreement, dated as of October 1, 1993, as previously amended and supplemented (the "Original Loan Agreement," and as further amended and supplemented by the Eleventh Supplemental Loan Agreement, to be dated as set forth therein, the "Eleventh Supplemental Loan Agreement," together with the Original Loan Agreement, the "Loan Agreement"), between the College and the Authority and shall be applied by the College for and towards the costs of the Project including, without limitation, printing and reproduction costs, fees and expenses of bond counsel and underwriter's counsel, fees and expenses of the Trustee, fees and expenses of Authority and its counsel and administrative costs and expenses of the College and the Authority, all upon submission of the proper documentation thereof; the payment of the premium for a policy of municipal bond insurance if determined to be advantageous by the College; and the funding of funds established under the Indenture, to the extent necessary.

4. The President, any Vice President or the Executive Director is hereby authorized to negotiate with the underwriter hereinafter appointed for an acceptable proposal for the purchase of the Bonds issued hereunder, to enter into one or more purchase agreements (each, a "Bond Purchase Agreement") for such purpose in accordance with the terms of this resolution and the President, any Vice President or the Executive Director is hereby authorized to execute and deliver each Bond Purchase Agreement on behalf of the Authority and to take such further action as may be required or proper to carry out the obligations of the Authority thereunder.

5. The Authority does hereby authorize the execution and delivery of any documents to which the Authority is a party and which are required to be executed and delivered in connection with the financing of the Project and the issuance of the Bonds authorized hereunder, including but not limited to the Indenture, Loan Agreement, Assignment of Loan Agreement, Bond Purchase Agreement, provided that all such documents shall be in such form as shall be acceptable to Bond Counsel, the Office of General Counsel, the Attorney General of the Commonwealth and Authority Counsel and as shall be approved by the Executive Director of the Authority.

6. The appropriate officers of the Authority, including the President, the Vice President and the Executive Director are, and each of them is hereby authorized and directed to execute such further documents and do such further things as may be necessary or proper to carry out the intent and purpose of this Resolution or any document herein authorized.

7. The appropriate officers of the Authority, including the President, the Vice President and the Executive Director are, and each of them is, hereby authorized to approve, and to execute and deliver any supplement, amendment or agreement (an "Amendment") providing for any amendment or other change to any trust indenture, loan agreement, assignment of loan agreement, bond, instrument or other document executed and delivered with respect to the financing of the Project (collectively, the "Bond Documents") requested by the College and approved by all other necessary parties, provided that (a) the officer executing the Amendment shall have determined that the Amendment will not adversely affect the Authority, such determination to be conclusively evidenced by such officer's execution of the Amendment and (b) the Authority shall have received an opinion of counsel in form and substance satisfactory to the Authority that (i) the Amendment is permitted under the Act and the Bond Documents, and (ii) the Amendment will not adversely

affect the excludability from gross income of interest on the Bonds for purposes of federal income taxation, if applicable.

8. The President, any Vice President or the Executive Director of the Authority shall be, and each of them is hereby, authorized and directed to execute, acknowledge and deliver in the name of and on behalf of the Authority, and the Secretary or Assistant Secretary of the Authority shall be and each of them is hereby authorized and directed to attest and affix the official seal of the Authority (if any) to each of the aforesaid documents. The execution of the aforesaid documents as hereinabove authorized shall be deemed to conclusively evidence the approval of the Authority of the forms of said documents.

9. The form of any preliminary official statements, reoffering circulars and/or final official statements (collectively, the "Offering Documents") which may be used in connection with the sale and issuance of the Bonds shall be approved by the Executive Director, solely as to and for purposes of distribution, with the advice of Bond Counsel and Authority Counsel. The Executive Director shall be and hereby is authorized and directed to execute any such final Offering Documents, and such execution by the Executive Director shall constitute conclusive evidence of the Authority's approval, solely as to and for purposes of distribution, of such documents. The Authority is hereby authorized to circulate and distribute copies of any such Offering Documents in connection with the Project.

10. RBC Capital Markets, LLC is hereby appointed Underwriter for the Bonds (the "Underwriter"). The Underwriter has selected Eckert Seamans Cherin & Mellott, LLC as Underwriter's Counsel.

11. The appropriate officers of the Authority are hereby authorized to take such further action and to execute any and all other documents and certificates, in addition to those specified above, as shall be required in connection with the issuance of the Bonds and the implementation of this resolution.

Upon **MOTION** by **Ms. Langan** and **SECONDED** by **Ms. Pike-Nase**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of November 17, 2022.

EXHIBIT A

**STATE PUBLIC SCHOOL BUILDING AUTHORITY
DELAWARE COUNTY COMMUNITY COLLEGE REVENUE BONDS**

<u>Docket Number</u>	<u>County</u>	<u>Project Description</u>	<u>Maximum Amount To be Financed</u>
2505	Delaware	(i) the construction, improvement, renovation, furnishing, equipping and installation of certain alterations and improvements, personal property and/or fixtures at the College's new Southeast Campus; and (ii) the payment of certain costs of issuing the Bonds (defined below) (including bond insurance or other forms of credit enhancement if advantageous to the College).	\$97,600,000*

Term: Not more than thirty (30) years.

Rate: Fixed Rate not to exceed 7.50% per annum.

Rating: "A2" (underlying from Moody's Investor Services, Inc.)

Underwriter: RBC Capital Markets, LLC

Bond Counsel: At the request of the College, the Office of General Counsel has appointed Saul Ewing Arnstein & Lehr LLP as Bond Counsel.

Trustee: The Bank of New York Mellon Trust Company, N.A.

Approved at the Authority Board meeting of November 17, 2022.

* Exclusive of any original issue discount.

7. OLD BUSINESS

A. Executive Director's Update

Mr. Gutshall congratulated the legislative members of the Board on their re-elections if they were on the ballot. He hopes that they continue to be on the Board for the next session of the General Assembly.

He let the Board know that Authority staff toured the Penn Medicine Pavilion Building that was funded by PHEFA. It was great to see the results of one of our bond deals. We had a wonderful tour and were told by Penn Medicine that there could be a potential deal coming to us for approval. The Authorities are very excited for them.

Mr. Gutshall mentioned that he attended and presented at the fall NAHEFFA Conference. He is continuing his work as Chair of their Advocacy Committee. He is trying to find ways to advocate for greater access to tax exempt bonds. He also attended a recent Bond Buyer Conference in Washington D.C. and was asked to participate in an upcoming Bond Buyer Podcast to discuss the work we are doing at the Authorities and the issues that we are facing. Additionally, Mr. Gutshall attended and was the keynote speaker at a public finance gathering in New York City. It was a great chance to connect with underwriters, trustees, and banks to talk about issues in the industry.

He said that the Authorities continue outreach to educational institutions across the Commonwealth, again stressing the value of our tax-exempt bonds and our financing options. The rise in interest rates may not be supportive of refundings, but hopefully institutions may see us as a more attractive option for new money deals in the future. We are excited for the potential Penn Medicine deal on the horizon.

Ms. Pike-Nase said that she thinks it is great that Mr. Gutshall is doing so much outreach. She asked if he could get a sense what other states are doing.

Mr. Gutshall said that his counterpart in Missouri called him two weeks ago to ask how many bond deals we have and express his concern that Missouri has no deals. Mr. Gutshall said that unfortunately the market has not been in our favor. He said that in some ways it is a relief to know that we are not outside of the norm. It is good to hear what other states are doing, what their schools are doing and what their contracting rules are. It has been very beneficial. It has helped us change our operations as well. Mr. Gutshall said that he hopes to see more action and more collaboration. Mr. Gutshall explained that his counterpart in Minnesota did a case study on green bonds. He took a project and split it into two tranches (one was not designated, and the other was designated green bonds). It turned out that the market was way more interested in green bonds. So that is something for us to think about in the future. Mr. Gutshall said that it has been very beneficial to learn from other states.

Mr. Gutshall is hoping to get an upcoming NAHEFFA Conference location in Pennsylvania so that the Board can attend and hear from other states firsthand.

Ms. Pike-Nase said that would be great and that she would like to attend.

8. NEW BUSINESS

Chairperson Brysiak asked if there was any new business to come before the Board, and hearing none, she asked for a motion to adjourn.

9. ADJOURNMENT

There being no further business to come before the Board at this time, and upon **MOTION** by **Ms. Pike-Nase** and **SECONDED** by **Ms. Langan**, the SPSBA Board Meeting was adjourned at 10:46 a.m.

SUNSHINE ACT PUBLIC MEETING NOTICES - THURSDAY, OCTOBER 27

Please utilize the Contacts name/phone # listed in each notice for reasonable accommodation due to a disability; to check on the meeting status; to inquire about phone/online participation options; etc.

Note: some mtgs. may be recorded.

PCCD Advisory Committee Meetings, 3101 N. Front St., Hbg., PA, Conf. Call: 267-332-8737: Children's Advocacy Center, 11/1/2022, 10 AM, Access Code: 827 866 480; Mental Health and Justice, 11/2/2022, 10 AM, Access Code: 799 932 205, Contact: Heather Hewitt 717-265-8730; County Adult Probation and Parole, 11/3/2022, 2 PM, Conf. Call: 1-929-205-6099, Access Code: 338-839-7098, Contact: Pamela Bennett 717-265-8485.

PCCD Constables' Education and Training Board Meeting, 11/3/2022, 9 AM, 3101 N. Front St., Hbg., Conf. Call: 267-332-8737, Access Code: 689 872 511, Contact: Sherry Leffler 717-265-8554.

PHC4 Council Meeting, 11/3/2022, 10 AM, 225 Market St. 4th Fl., Hbg., PA, Agenda: <https://phc4.org/council/agendas.htm>, Participation Instructions: rgreenawalt@phc4.org, Contact: Renee Greenawalt 717-232-6787.

Special, PSERB Special Audit Compliance & Risk Committee Meeting, 11/3/2022, 4 PM, 5 N. 5th St, Hbg., PA, Link: www.PSERS.pa.gov, Contact: Tivia Danner 717-710-6459.

PA Dept. of AG, Dog Law Advisory Board Meeting, 11/4/2022, 10:30 AM, PA Dept. of AG Bldg., Conf. Rm. 309, Conf. Call: 267-332-8737, Access Code: 444 055 771#, Contact: Linda Hansen 717-705-8894.

Inspection Advisory Board Meeting, 11/9/2022, 11 AM, Riverfront Ofc. Ctr., Transprt. Univ., Rm. 408, 1101 S. Front St., Hbg., PA, Contact: Tim Langletz 717-787-2895.

Professional Standards & Practices Commission (PSPC) Meeting, 11/14/2022, 10 AM, Dept. of Ed., 333 Market St., Heritage Rm. A Lobby, Hbg., PA, Contact: April Rivera 717-787-7856.

Special, State Public School Building Authority & PA Higher Educational Facilities Authority Board Meeting, 11/17/2022, 10:30 AM, 515 North Offc. Bldg., Hbg., PA, Contact: Jennifer Sheffield 717-975-2209.

Annual Wild Resource Conservation Program Board Meeting, 11/30/2022, 11 AM, Rachel Carson State Offc. Bldg., 400 Market St., 6th Fl. Conf. Rm., Hbg., PA, Contact: Jennifer Girton 717-787-3212.

Dept. of L&I, Bureau of Occupational & Industrial Safety, Accessibility Advisory Board Meetings, 1/19/23, 9 AM, 651 Boas St., Rm. 1626, Hbg., PA, Teams only, Conf. Call: 1-267-332-8737, Access Code: 309 416 044; 2/16/23, Access Code: 352 392 336; 3/16/23, Access Code: 803 251 972; 4/20/23, Access Code: 906 138 402; 5/18/23, Access Code: 972 882 138; 6/15/23, Access Code: 153 745 383; 7/20/23, Access Code: 482 084 418; 8/17/23, Access Code: 395 658 750; 9/21/23, Access Code: 711 149 694; 10/19/23, Access Code: 958 788 016; 11/16/23, Access Code: 426 126 553; 12/21/23, Access Code: 284 211 717; Contact: Cindy Holtry 717-783-4560.

Appeared in: ***Patriot-News*** on Thursday, 10/27/2022

STATE PUBLIC SCHOOL BUILDING AUTHORITY
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
Notice of the Meetings of the Boards to be Held
November 17, 2022

The State Public School Building Authority and the Pennsylvania Higher Educational Facilities Authority Boards will meet on **Thursday, November 17, 2022**, at **10:30 a.m. in Room 515 North Office Building, Harrisburg**. The meetings are to: (a) approve projects for financing; and (b) consider other matters as may properly come before the Board.

Please complete the attached response and return to Jen Sheffield via e-mail.

Sincerely,

Eric Gutshall
Executive Director

* * * * *

Harrisburg, PA

I CERTIFY that the notice on the previous page for the November 17, 2022, meetings was dispatched to the following on October 24, 2022, at the addresses indicated, constituting all members of the Board of the State Public School Building Authority.

Angela Brysiak, Proxy for Governor Wolf
abrysiak@pa.gov

Scott Martin, Designated by the President Pro Tempore of the Senate
smartin@pasen.gov

Lindsey M. Williams, Designated by the Minority Leader of the Senate
lindsey.williams@pasenate.com

Curtis G. Sonney, Designated by the Speaker of the House of Representatives
csonney@pahousegop.com

Napoleon J. Nelson, Designated by the Minority Leader of the House of Representatives
repnelson@pahouse.net

Stacy Garrity, State Treasurer
hshaffer@ptreasury.gov

Timothy L. DeFoor, Auditor General
plafoe@paauditor.gov

Joseph Lee, Acting Secretary of General Services
josephlee@pa.gov

Eric Hagarty, Acting Secretary of Education
karworley@pa.gov

GIVEN under my hand and seal this 24th day of October 2022.

Eric Gutshall

Executive Director
State Public School Building Authority
Pennsylvania Higher Educational Facilities Authority